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DEPARTMENT OF COMMERCE

International Trade Administration

[A-533-810]

Stainless Steel Bar From India: Preliminary Results and Partial Rescission of the Antidumping Duty Administrative Review

AGENCY: Import Administration, International Trade Administration, Department of Commerce

SUMMARY: The Department of Commerce (Department) is conducting an administrative review of the antidumping duty order on stainless steel bar (SSBar) from India. The period of review (POR) is February 1, 2010, through January 31, 2011. This review covers three exporters/producers, one of which is being individually reviewed as a mandatory respondent. We preliminarily determine that the mandatory respondent made sales of the subject merchandise at prices below normal value (NV). We have assigned the second respondent the margin calculated for the mandatory respondent. In addition, we have rescinded the review with respect to the remaining company. Interested parties are invited to comment on these preliminary results. If these preliminary results are adopted in our final results, we will instruct U.S. Customs and Border Protection (CBP) to assess antidumping duties on appropriate entries.

EFFECTIVE DATE: [Insert date of publication in the *Federal Register*.]

FOR FURTHER INFORMATION CONTACT: Joseph Shuler or Yasmin Nair, AD/CVD

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SUPPLEMENTARY INFORMATION:

Background

On February 21, 1995, the Department published in the *Federal Register* the antidumping duty order on SSBar from India. *See Antidumping Duty Orders: Stainless Steel Bar from Brazil, India and Japan*, 60 FR 9661 (February 21, 1995) (the *Order*). On February 1, 2011, the Department published its notice of opportunity to request an administrative review of the *Order* on SSBar from India. *See Antidumping or Countervailing Duty Order, Finding, or Suspended Investigation; Opportunity to Request Administrative Review*, 76 FR 5559, 5560 (February 1, 2011).

In February 2011, in accordance with 19 CFR 351.213(b)(2), the Department received self-requests to conduct administrative reviews of the *Order* from two producers/exporters of the subject merchandise: Venus Industries, Pvt. Ltd (Venus) and Chandan Steel Limited (Chandan). Additionally, pursuant to 19 CFR 351.213(b)(1), domestic interested parties Carpenter Technology Corp.; Electralloy Co., (a division of G.O. Carlson, Inc.); Outokumpu Stainless Bar, Inc.; Universal Stainless & Alloy Products, Inc.; and Valbruna Slater Stainless, Inc. (collectively, Petitioners), requested that the Department conduct an administrative review of the following producers/exporters: Venus, Ambica Steels Limited (Ambica), Atlas Stainless Corporation (Atlas), Bhansali Bright Bars Pvt. Ltd. (Bhansali), FACOR Steels Limited (Facor), Grand Foundry, Ltd. (Grand Foundry), India Steel Works, Ltd. (India Steel), Meltroll Engineering Pvt. Ltd. (Meltroll), Mukand Ltd. (Mukand), Sindia Steels Limited (Sindia), Snowdrop Trading Pvt. Ltd. (Snowdrop), and their respective affiliates.

On March 31, 2011, in accordance with section 751(a) of the Tariff Act of 1930, as amended (the Act), the Department published a notice of initiation of an administrative review

for all twelve companies. *See Initiation of Antidumping Duty Administrative Reviews, Requests for Revocation in Part, and Deferral of Administrative Review*, 76 FR 17825 (March 31, 2011) (*Initiation Notice*). We indicated that we would select mandatory respondents for review based upon CBP data in the event we limited the number of respondents selected for individual review in accordance with section 777A(c)(2) of the Act. *See Initiation Notice*.

In our respondent selection memo, we determined that it was not practicable to examine all twelve producers/exporters for which a review was requested and, therefore, we limited the number of respondents selected for individual review. *See Memorandum to Susan Kuhbach from Seth Isenberg, “Respondent Selection Antidumping Duty Administrative Review: Stainless Steel Bar from India”* (April 19, 2011). As a result, we selected the two largest producers/exporters of SSBar from India during the POR for individual review, pursuant to section 777A(c)(2)(B) of the Act. The mandatory respondents selected were Mukand and Venus. Chandan had requested individual review, but was not selected.

On April 26, 2011, Petitioners timely withdrew their request for administrative review of the companies that were not selected for individual review: Ambica, Atlas, Bhansali, Facor, Grand Foundry, India Steel, Meltroll, Sindia, and Snowdrop. In accordance with 19 CFR 351.213(d)(1), we rescinded this review with respect to these companies. *See Stainless Steel Bar From India: Partial Rescission of Antidumping Duty Administrative Review*, 76 FR 34964 (June 15, 2011).

In April 2011, the Department issued questionnaires to Venus and Mukand. Respondent companies submitted timely filed responses to the antidumping questionnaires between July and August, 2011. The Department issued supplemental questionnaires to Venus and Mukand to clarify, correct, and supplement information contained in the initial questionnaire responses. We

received timely filed responses to supplemental questionnaires from Mukand from October 2011 through February 2012, and Venus in August and September 2011. We are relying on the most recent supplemental response submitted by Mukand on February 14, 2012, for these preliminary results, but anticipate requesting further information from the company for the final results.,

On October 11, 2011, the Department extended the time limit for completion of the preliminary results of this review by ninety days to January 29, 2012, in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2).¹ *See Stainless Steel Bar From India: Extension of Time Limit for the Preliminary Results of the 2010-2011 Antidumping Duty Administrative Review*, 76 FR 62761 (October 11, 2011). On January 30, 2012, the Department extended the time limit for completion of the preliminary results of this review by an additional thirty days to February 28, 2012, in accordance with section 751(a)(3)(A) of the Act and 19 CFR 351.213(h)(2). *See Stainless Steel Bar From India: Extension of Time Limit for the Preliminary Results of the 2010-2011 Antidumping Duty Administrative Review*, 77 FR 5486 (February 3, 2012).

Partial Rescission

On September 13, 2011, the Department published in the *Federal Register* notice of revocation of the *Order* with regard to Venus, effective February 1, 2010. *See Stainless Steel Bar from India: Final Results of the Antidumping Duty Administrative Review, and Revocation of the Order, in Part*, 76 FR 56401 (September 13, 2011)(*Venus Revocation Final*). Pursuant to this partial revocation of the *Order* we are rescinding this administrative review with regard to Venus.

¹ Because January 29, 2012, was a Sunday, the deadline for completion of the preliminary results was no later than the next business day, January 30, 2012.

Period of Review

The POR is February 1, 2010, through January 31, 2011.

Scope of the Order

Imports covered by the order are shipments of stainless steel bar. Stainless steel bar means articles of stainless steel in straight lengths that have been either hot-rolled, forged, turned, cold-drawn, cold-rolled or otherwise cold-finished, or ground, having a uniform solid cross section along their whole length in the shape of circles, segments of circles, ovals, rectangles (including squares), triangles, hexagons, octagons, or other convex polygons. Stainless steel bar includes cold-finished stainless steel bars that are turned or ground in straight lengths, whether produced from hot-rolled bar or from straightened and cut rod or wire, and reinforcing bars that have indentations, ribs, grooves, or other deformations produced during the rolling process.

Except as specified above, the term does not include stainless steel semi-finished products, cut-to-length flat-rolled products (*i.e.*, cut-to-length rolled products which if less than 4.75 mm in thickness have a width measuring at least 10 times the thickness, or if 4.75 mm or more in thickness having a width which exceeds 150 mm and measures at least twice the thickness), wire (*i.e.*, cold-formed products in coils, of any uniform solid cross section along their whole length, which do not conform to the definition of flat-rolled products), and angles, shapes, and sections.

The stainless steel bar subject to this review is currently classifiable under subheadings 7222.10.00, 7222.11.00, 7222.19.00, 7222.20.00, 7222.30.00 of the Harmonized Tariff Schedule of the United States (HTSUS). Although the HTSUS subheadings are provided for convenience and customs purposes, our written description of the scope of the order is dispositive.

Product Comparisons

In accordance with section 771(16) of the Act, we considered all products sold by Mukand that are covered by the description in the “Scope of the Order” section, above, and were sold in the home market during the POR to be foreign-like products for purposes of determining appropriate product comparisons to U.S. sales.

We relied on six criteria to compare U.S. sales of subject merchandise to comparison market sales of the foreign-like product: (1) general type of finish; (2) grade; (3) remelting; (4) type of final finishing operation; (5) shape; and (6) size. This is consistent with our practice in the original investigation. *See Preliminary Determination of Sales at Less Than Fair Value and Postponement of Final Determination: Stainless Steel Bar From India*, 59 FR 39733, 39735 (August 4, 1994) (unchanged in the final results). Where there were no sales of identical merchandise in the comparison market made in the ordinary course of trade to compare to U.S. sales, we compared U.S. sales to the next most similar product on the basis of the characteristics listed above. Where there were no sales of identical or similar merchandise made in the ordinary course of trade in the comparison market, we compared U.S. sales to constructed value (CV).

Date of Sale

The Department normally will use the date of the invoice, as recorded in the producer’s or exporter’s records kept in the ordinary course of business, as the date of sale, but may use a date other than the invoice date if the Department is satisfied that a different date better reflects the date on which the material terms of sale are established. *See* 19 CFR 351.401(i).

Mukand reported that the material terms of its U.S. and comparison market sales are established by the sale invoice date. Accordingly, we are relying on invoice date as date of sale for Mukand’s comparison market sales and its U.S. sales.

Level of Trade

In accordance with section 773(a)(1)(B)(i) of the Act, we determined NV using home market sales at the same level of trade as the U.S. sales. To determine whether home market sales are at the same or different level of trade than U.S. sales, we examine stages in the marketing process and selling functions along the chains of distribution between the producer and unaffiliated customers.² Pursuant to section 773(a)(1)(B)(i) of the Act, in identifying levels of trade for export price (EP) and comparison market sales (*i.e.*, NV based on either comparison market or third country prices), we consider the starting prices before any adjustments.³ If the home-market sales are at a different level of trade from that of a U.S. sale and the difference affects price comparability, as manifested in a pattern of consistent price differences between the sales on which NV is based and home-market sales at the level of trade of the export transaction, we make a level-of-trade adjustment under section 773(a)(7)(A) of the Act. *See, e.g., Stainless Steel Bar From Germany: Preliminary Results of Antidumping Duty Administrative Review*, 69 FR 5493 (February 5, 2004) (unchanged in the final results).

For its home market, Mukand reported that it made sales through five channels of distribution (*i.e.*, sales from the plant, with agent; sales from the plant, without agent; sales from warehouse, with agent; sales from warehouse, without agent; sales delivered to customer, with agent). We examined the selling activities performed for these channels, and found that Mukand performed sales/marketing support for all sales. For all sales made with agent, Mukand paid commissions. For delivered sales and sales from warehouse, Mukand contracted an unaffiliated

² Selling functions associated with a particular chain of distribution help us to evaluate the level of trade(s) in a particular market. For purposes of these preliminary results, we have organized the common selling functions into four major categories: sales process and marketing support, freight and delivery, inventory and warehousing, and quality assurance/warranty services.

³ Where NV is based on CV, we determine the NV level of trade based on the level of trade of the sales from which we derive selling expenses, general and administrative (G&A) expenses and profit for CV, where possible.

provider for freight and freight insurance services. These selling activities can be generally grouped into two selling function categories for analysis: (1) sales and marketing and (2) freight/delivery services. Because Mukand performed the same sales/marketing functions for all customers, we find no differences exist between channels. Because Mukand contracted with unaffiliated freight providers, we find these services were at a low level of intensity for the three channels that experienced the freight/delivery service. Accordingly, because the distinctions in selling functions are not significant for Mukand's five channels of distribution, we preliminarily determine that there is one level of trade for Mukand's home market.

Mukand reported that it made sales through two channels of distribution in the United States (*i.e.*, EP sales made with and without an agent). Mukand reported performing the following selling functions for all its U.S. sales: sales/marketing support and freight services. For sales to the United States with an agent, Mukand also paid commissions. These selling activities can be generally grouped into two selling function categories for analysis: (1) sales and marketing; and (2) freight/delivery services. We find that Mukand's selling activities related to commission payments are relatively insignificant because they represent a low-intensity difference between Mukand's U.S. sales channels. Because Mukand performed the same freight/delivery functions for all its U.S. customers, we find no differences exist for freight/delivery between the two U.S. channels. Accordingly, because the distinctions in selling functions are not significant for Mukand's two U.S. channels of distribution, we preliminarily determine that there is one level of trade for Mukand's U.S. market.

Finally, we compared the U.S. level of trade to the home market level of trade and found that the selling functions performed for U.S. and home market customers are essentially the same. Mukand paid commissions on some sales in both its home and U.S. markets, and Mukand

contracted with unaffiliated providers for freight and delivery services in both the home and U.S. markets. Therefore, we preliminarily determine that sales to the U.S. and home markets during the POR were made at the same level of trade and, as a result, no level of trade adjustment is warranted.

Comparisons to Normal Value

To determine whether sales of SSBar from India to the United States were made at less than NV, we compared the EP to the NV, as described in the “Export Price” and “Normal Value” sections of this notice.

Pursuant to section 777A(d)(2) of the Act, we compared the EPs of individual U.S. transactions to the weighted-average NV of the foreign like product in the appropriate corresponding calendar month where there were sales made in the ordinary course of trade, as discussed in the “Cost of Production Analysis” section below.

Export Price

Mukand reported that the subject merchandise was sold prior to importation by the exporter or producer outside the United States to the first unaffiliated purchaser in the United States. Therefore, we based the U.S. price on EP, as defined in section 772(a) of the Act.

Mukand’s EP is based on the packed, delivered prices to unaffiliated purchasers in the United States. We adjusted the reported gross unit prices, where applicable, for early payment discounts in accordance with 19 CFR 351.401(c). Where appropriate, we made deductions for movement expenses, including home market freight expenses, home market brokerage and handling expenses, international freight expenses, marine insurance expenses, and U.S. brokerage and handling expenses, in accordance with section 772(c)(2)(A) of the Act. *See* Memorandum to the File from Joseph Shuler, International Trade Analyst, AD/CVD Operations,

“Mukand Preliminary Results Calculation Memorandum,” February 28, 2012 (Mukand Preliminary Calculation Memo).

Further, section 772(c)(1)(B) of the Act states that EP should be increased by the amount of any import duties “imposed by the country of exportation which have been rebated, or which have not been collected, by reason of the exportation of the subject merchandise to the United States.” Mukand claimed a duty drawback adjustment under this provision for its export credits earned under the Government of India’s (GOI) Duty Entitlement Passbook Scheme (DEPS). Mukand reported the DEPS credits earned on the free-on-board (FOB) value of its total exports during the POR.

India’s DEPS enables exporting companies to earn import duty exemptions in the form of passbook credits rather than cash. All exporters are eligible to earn DEPS credits on a post-export basis, provided that the GOI has established a standard input-output norm (SION) for the exported product. DEPS credits can be used for any subsequent imports, regardless of whether they are consumed in the production of an exported product. DEPS credits are valid for twelve months and are transferable after the foreign exchange is realized from the export sales on which the DEPS credits are earned. *See Polyethylene Terephthalate Film, Sheet, and Strip from India: Final Results of Countervailing Duty Administrative Review*, 73 FR 75672 (December 12, 2008), and accompanying Issues and Decision Memorandum at “Duty Entitlement Passbook Scheme (DEPS/DEPB).”

In determining whether an adjustment should be made to EP for this duty credit, we look for a reasonable link between the duties imposed and those rebated or exempted. *See, e.g., Saha Thai Steel Pipe (Public) Co., Ltd. v. United States*, 635 F.3d 1335, 1340 (Fed. Cir. 2011); *Mittal Steel USA, Inc. v. United States*, 31 CIT 1395, 1412-1413 (2007). We do not require that the

imported input be traced directly from importation through exportation. We do require, however, that the company meet our “two-pronged” test in order for this increase to be made to EP. The first element is that the import duty and its rebate or exemption be directly linked to, and dependent upon, one another; the second element is that the company must demonstrate that there were sufficient imports of the imported material to account for the duty drawback or exemption granted for the export of the manufactured product. *See Saha Thai*, 635 F.3d at 1340; *Mittal Steel*, 31 CIT at 1412-13.

Mukand failed to satisfy both prongs of the two-pronged test. First, Mukand did not report that there is a necessary link between the import duties paid on any inputs imported and the duty credit given by the GOI. Mukand reported that the credit is based on a fixed percentage determined by the FOB value of the export, rather than an actual quantity or value of imported input specific to the export.⁴ Second, Mukand reported that the GOI does not have a system in place to confirm which inputs, and in what amounts, are consumed in the production of the exported product.⁵ While there is a SION in place for the production of subject merchandise, the duty credit given is based on an assumed amount of import content, and fails to link the amount of duty credits to the amount of import duties actually paid on imported inputs. Furthermore, Mukand stated that it is not required to import to avail the benefit of the DEPS credits.⁶

With regard to the second prong, Mukand reported that the DEPS is available on a post-export basis and there is no obligation to fulfill the export obligation against imports.⁷ Thus,

⁴ Mukand’s November 25, 2011, Sections A, B, and C Supplemental Questionnaire Response at 10; *see also* Mukand’s January 3, 2012, Second Section C Supplemental Questionnaire Response, at Annexure SQC2-4

⁵ Mukand’s January 3, 2012, Second Section C Supplemental Questionnaire Response at 4.

⁶ *Id.*

⁷ *Id.*

because the GOI does not monitor imports against exports, Mukand is unable to report whether or not it imported in sufficient quantities during the POR to qualify for the export credit. Thus, for these preliminary results, we determine that Mukand has not demonstrated that it satisfies both prongs of the duty drawback test pursuant to section 772(c)(1)(B) of the Act. Accordingly, we have not made an adjustment to EP for duty drawback.

Normal Value

A. Home Market Viability

In order to determine whether there was a sufficient volume of sales in the home market to serve as a viable basis for calculating NV, we compared the respondent's volume of home market sales of the foreign like product to the volume of U.S. sales of the subject merchandise, in accordance with section 773(a) of the Act. Because Mukand's aggregate volume of home market sales of the foreign like product was greater than five percent of its aggregate volume of U.S. sales of the subject merchandise, we determined the home market was viable. *See* section 773(a)(1)(B) of the Act. Therefore, we based NV on home market sales in the usual commercial quantities and in the ordinary course of trade.

B. Cost of Production Analysis

In accordance with section 773(b)(2)(A)(ii) of the Act, because we determined to disregard sales by Mukand that were below the cost of production (COP) in the most recently completed administrative review of SSBar, we requested Mukand to respond to section D of the April 26, 2011, questionnaire.

1. Cost Averaging Methodology

The Department's normal practice is to calculate an annual weighted-average cost for the entire period of investigation or POR. *See, e.g., Certain Pasta From Italy: Final Results of*

Antidumping Duty Administrative Review, 65 FR 77852 (December 13, 2000), and accompanying Issues and Decision Memorandum at Comment 18. However, the Department recognizes that possible distortions may result if our normal annual-average cost methodology is used during a period of significant cost changes. The Department determines whether to deviate from its normal methodology of calculating an annual weighted-average cost by evaluating two primary factors: (1) whether the change in the cost of manufacturing recognized by the respondent during the POR is deemed significant (*i.e.*, greater than 25 percent); and (2) whether the record evidence indicates that sales during the shorter averaging periods could be reasonably linked with the COP during the same shorter averaging periods. *See Stainless Steel Plate in Coils From Belgium: Final Results of Antidumping Duty Administrative Review*, 73 FR 75398, 75399 (December 11, 2008) and *Certain Welded Stainless Steel Pipes From the Republic of Korea: Final Results of Antidumping Duty Administrative Review*, 74 FR 31242 (June 30, 2009). Based on the review of record evidence, and the lack of significant cost changes, there is no support for the Department to deviate from its normal methodology of calculating an annual weighted-average cost.⁸ Therefore, we followed our normal methodology of calculating an annual weighted-average cost for these preliminary results of review.

2. Calculation of Cost of Production

In accordance with section 773(b)(3) of the Act, we calculated COP based on the sum of the materials and conversion costs for the foreign like product, plus amounts for general and administrative (G&A) expenses and interest expenses. Generally, we relied on the COP information provided by Mukand in its questionnaire responses. However, based on our analysis of Mukand's questionnaire responses, we revised Mukand's reported G&A expense ratio to include in the numerator of the calculation the "advances written off" amount, and in the

⁸ See Mukand's June 22, 2011, Section D questionnaire response at D-6.

denominator of the calculation the “traded goods” amount. For additional details, *see* Memorandum to Neal M. Halper, Director, Office of Accounting from Sheikh M. Hannan, Senior Accountant, Antidumping Duty Administrative Review of Stainless Steel Bar from India, Cost of Production and Constructed Value Calculation Adjustments for the Preliminary Results – Mukand Limited, dated February 28, 2012.

3. Test of Comparison Market Sales Prices

On a product-specific basis, pursuant to section 773(a)(1)(B)(i) of the Act, we compared the adjusted weighted-average COP to the home market sales prices of the foreign like product, in order to determine whether the sale prices were below the COP. For purposes of this comparison, we used COP exclusive of selling and packing expenses. The prices were net of billing adjustments, movement charges, discounts, direct and indirect selling expenses, and packing expenses.

4. Results of the COP Test

Section 773(b)(1) of the Act provides that where sales made at less than the COP “have been made within an extended period of time in substantial quantities” and “were not at prices which permit recovery of all costs within a reasonable period of time” the Department may disregard such sales when calculating NV. Pursuant to section 773(b)(2)(C)(i) of the Act, we did not disregard below-cost sales that were not made in “substantial quantities,” *i.e.*, where less than 20 percent of sales of a given product were at prices less than the COP. We disregarded below-cost sales when they were made in substantial quantities, *i.e.*, where 20 percent or more of a respondent’s sales of a given product were at prices less than the COP and where “the weighted average per unit price of the sales . . . is less than the weighted average per unit cost of production for such sales.” *See* section 773(b)(2)(C)(ii) of the Act. Lastly, based on our

comparison of prices to the weighted-average COPs for the POR, we considered whether the prices would permit the recovery of all costs within a reasonable period of time. *See* section 773(b)(2)(D) of the Act.

Our cost test for Mukand revealed that, for home market sales of certain models, more than 20 percent were sold at prices below the COP within an extended period of time and were at prices which would not permit the recovery of all costs within a reasonable period of time. Thus, in accordance with section 773(b)(1) of the Act, we excluded these below-cost sales from our analysis and used the remaining above-cost sales to determine NV. *See* Mukand Preliminary Calculation Memo.

For those U.S. sales of subject merchandise for which there were no home market sales in the ordinary course of trade, we compared EPs to CV in accordance with section 773(a)(4) of the Act. *See* “Calculation of Normal Value Based on Constructed Value” section, below.

C. Calculation of Normal Value Based on Home Market Prices

We calculated NV based on packed, ex-factory or delivered prices to unaffiliated customers in the home market. We made adjustments, where appropriate, to the starting price for discounts, in accordance with 19 CFR 351.401(c). We also made deductions for home market inland freight expenses, home market warehousing expenses, and home market freight insurance expenses, under section 773(a)(6)(B) of the Act.

In addition, we made deductions pursuant to section 773(a)(6)(C) of the Act for home market credit expenses (offset by interest revenue). We capped Mukand’s interest revenue by the amount of credit expenses, in accordance with our practice. *See, e.g., Certain Orange Juice from Brazil: Final Results of Antidumping Duty Administrative Review, Determination Not To Revoke Antidumping Duty Order in Part, and Final No Shipment Determination*, 76 FR 50176

(August 12, 2011), and accompanying Issues and Decision Memorandum at Comment 2. For home market sales with reported commissions, in accordance with 19 CFR 351.410(e), we offset the commission paid on a U.S. sale by reducing NV by the amount of the home market commission. For sales where Mukand did not report home market commissions, in accordance with 19 CFR 351.410(e), we offset any commission paid on a U.S. sale by reducing the NV by the amount of home market indirect selling expenses and inventory carrying costs, up to the amount of the U.S. commission. For further discussion of these adjustments, *see* the Mukand Preliminary Calculation Memo.

We deducted home market packing costs, when applicable, and added U.S. packing costs, where appropriate, in accordance with sections 773(a)(6)(A) and (B) of the Act. Finally, we made adjustments for differences in costs attributable to differences in the physical characteristics of the merchandise, in accordance with section 773(a)(6)(C)(ii) of the Act and 19 CFR 351.411.

D. Calculation of Normal Value Based on Constructed Value

Section 773(a)(4) of the Act provides that where NV cannot be based on comparison market sales, NV may be based on CV. Accordingly, for Mukand's products for which we could not determine the NV based on home market sales, we based NV on CV.

In accordance with section 773(e) of the Act, we calculated CV for Mukand based on the sum of its material and fabrication costs, selling, general and administrative (SG&A) expenses, profit, and U.S. packing costs. We calculated the COP component of CV as described in the "Cost of Production Analysis" section of this notice, above. In accordance with section 773(e)(2)(A) of the Act, we based SG&A expenses and profit on the amounts incurred and realized by Mukand in connection with the production and sale of the foreign like product in the

ordinary course of trade, for consumption in the foreign country.

Currency Conversion

Pursuant to 19 CFR 351.415 and section 773A of the Act, we made currency conversions based on the exchange rates in effect on the date of the U.S. sale, as certified by the Federal Reserve Bank. *See* Import Administration website at: <http://ia.ita.doc.gov/exchange/index.html>.

Preliminary Results of the Review

We preliminarily determine that a weighted-average dumping margin exists for Mukand for the period February 1, 2010, through January 31, 2011. The companies subject to the administrative review but not selected as mandatory respondents normally receive the weighted-average of the margins calculated for mandatory respondents, excluding *de minimis* margins or margins based entirely on adverse facts available. In this case, we are assigning Chandan Mukand's margin as Mukand is the only remaining mandatory respondent.

<u>Exporter/Manufacturer</u>	<u>Margin</u>
Mukand Ltd.	30.92 percent
Chandan Steel Limited	30.92 percent

Disclosure and Public Comment

The Department will disclose the calculations performed within five days of publication of this notice to the parties to this proceeding in accordance with 19 CFR 351.224(b).

Pursuant to 19 CFR 351.309(c), interested parties may submit case briefs within 30 days of the date of publication of this notice. Rebuttal briefs, which must be limited to issues raised in the case briefs, should be filed not later than five days after the time limit for filing case briefs. *See* 19 CFR 351.309(d). Parties submitting arguments in this proceeding are requested to submit with each argument: 1) a statement of the issue, 2) a brief summary of the argument, and 3) a

table of authorities, in accordance with 19 CFR 351.309(d)(2). Further, case and rebuttal briefs must be served on interested parties in accordance with 19 CFR 351.303(f).

Interested parties, who wish to request a hearing, or to participate if one is requested, must submit a written request to the Assistant Secretary for Import Administration, U.S. Department of Commerce, filed electronically using Import Administration's Antidumping and Countervailing Duty Centralized Electronic Service System ("IA ACCESS"). An electronically filed document must be received successfully in its entirety by the Department's electronic records system, IA ACCESS, by 5 p.m. Eastern Standard Time within 30 days after the date of publication of this notice. *See* 19 CFR 351.310(c). Requests should contain the party's name, address, and telephone number, the number of participants, and a list of the issues to be discussed. If a request for a hearing is made, we will inform parties of the scheduled date for the hearing which will be held at the U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230, at a time and location to be determined. *See* 19 CFR 351.310. Parties should confirm by telephone the date, time, and location of the hearing.

Unless the deadline is extended pursuant to section 751(a)(2)(B)(iv) of the Act, the Department will issue the final results of this administrative review, which will include the results of its analysis of issues raised in any such comments or at a hearing, if requested, within 120 days of publication of these preliminary results. *See* section 751(a)(3)(A) of the Act and 19 CFR 351.213(h).

Assessment Rates

The Department shall determine, and CBP will assess, antidumping duties on all appropriate entries in accordance with 19 CFR 351.212(b)(1). The Department intends to issue

appropriate assessment instructions for the companies subject to this review directly to CBP 15 days after publication of the final results of review.

Mukand reported that it was the importer of record for all of its U.S. sales of subject merchandise. If Mukand's antidumping rate exceeds 0.5 percent *ad valorem* for the final results of this review, we will instruct CBP to assess duties on all of Mukand's entries. *See* 19 CFR 351.106(c)(2).

The Department clarified its "automatic assessment" regulation on May 6, 2003. *See Antidumping and Countervailing Duty Proceedings: Assessment of Antidumping Duties*, 68 FR 23954 (May 6, 2003) (*Assessment Policy Notice*). This clarification will apply to entries of subject merchandise during the POR produced by Mukand for which this company did not know that its merchandise was destined for the United States. In such instances, we will instruct CBP to liquidate un-reviewed entries at the all-others rate if there is no rate for the intermediate involved in the transaction. For a full discussion of this clarification, *see Assessment Policy Notice*.

Pursuant to the revocation of the *Order* with regard to Venus effective February 1, 2010, and in accordance with 19 CFR 351.222(f)(3), the Department directed CBP to terminate the suspension of liquidation for all entries of SSBar from India produced/exported by Venus, effective February 1, 2010, as indicated in *Venus Revocation Final*.

Cash Deposit Requirements

The following cash deposit requirements will be effective upon completion of the final results of this administrative review for all shipments of SSBar from India entered, or withdrawn from warehouse, for consumption on or after the publication date of the final results of this administrative review, as provided by section 751(a)(1) of the Act: (1) the cash deposit rate for

the reviewed companies will be the rate established in the final results of this administrative review, except if the rate is less than 0.5 percent and is, therefore, *de minimis*, the cash deposit rate will be zero; (2) for previously reviewed or investigated companies not listed above, the cash deposit rate will continue to be the company-specific rate published for the most recent final results in which that manufacturer or exporter participated; (3) if the exporter is not a firm covered in this review, but was covered in a previous review or the original less than fair value (LTFV) investigation, but the manufacturer is, the cash deposit rate will be the rate established for the most recent final results for the manufacturer of the merchandise; and (4) if neither the exporter nor the manufacturer is a firm covered in this or any previous review conducted by the Department, the cash deposit rate will be 12.45 percent, the “all others” rate established in the LTFV investigation. *See Notice of Final Determination of Sales at Less Than Fair Value: Stainless Steel Bar from India*, 59 FR 66915 (December 28, 1994). These deposit requirements, when imposed, shall remain in effect until further notice.

Notification to Importers

This notice also serves as a reminder to importers of their responsibility under 19 CFR 351.402(f)(2) to file a certificate regarding the reimbursement of antidumping duties prior to liquidation of the relevant entries during this review period. Failure to comply with this requirement could result in the Secretary’s presumption that reimbursement of antidumping duties occurred and the subsequent assessment of double antidumping duties.

We are issuing and publishing these preliminary results of review in accordance with sections 751(a)(1) and 777(i)(1) of the Act.

Paul Piquado
Assistant Secretary
for Import Administration

February 28, 2012_
Date

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